pdvWireless announces bid for FirstNet, belief that FCC will release NOI on 900 MHz broadband proposal

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Officials for pdvWireless this week confirmed the company's much-rumored bid to build a nationwide public-safety broadband network (NPSBN) for <u>FirstNet</u> and expressed "frustration and disappointment" with the

FCC

regarding a proceeding centered around a pdvWireless proposal to transform 900 MHz LMR spectrum to broadband use.

"We have the pleasure of announcing that we assembled a consortium of world-class companies, with recognized expertise in the critical areas needed, to build and operate a public-safety broadband network," pdvWireless Vice Chairman Morgan O'Brien said during the pdvWireless fourth-quarter conference call on Monday. "We filed, on behalf of that consortium, a response to the FirstNet RFP [request for proposals] by the May 31 deadline."

The notion that pdvWireless would lead an offeror team to submit a proposal to build and maintain the much-anticipated FirstNet system has been a source of industry speculation for several months. With its announcement, pdvWireless is the second entity to confirm publicly that it has submitted a bid; last week, Rivada Networks announced the establishment of Rivada Mercury as the name of its offeror team for its FirstNet proposal.

Unlike Rivada Mercury, pdvWireless said it has signed non-disclosure agreements (NDAs) with each of its consortium members and does not plan to name them, O'Brien said.

"Given that this is a competitive government RFP process that is governed by confidentiality restrictions, we do not intend to provide interim updates," O'Brien said.

"At the moment, we see consider this to be something where there's a competitive advantage to just stay quietly in the process we're in with the RFP and restrict this to just answering the questions and participating in the process with FirstNet and their contracting office."

Early this year, AT&T publicly announced its intention to lead an offeror group that would submit a FirstNet bid. Multiple industry sources have confirmed that an AT&T-led team bid on the massive public-safety project, but the carrier has not made any public statements on the matter. Verizon and Motorola Solutions also are rumored to be part of FirstNet bids, but industry sources are not certain whether those companies are seeking to be prime contractors or are participating as members of offeror teams.

In addition to the FirstNet announcement, pdvWireless officials provided an update to the company's attempt to get FCC approval for a proposal to transition 900 MHz LMR spectrum to a contiguous 3x3 MHz swath that could support deployment of a broadband technology, probably LTE

. The pdvWireless plan is to deploy customized private LTE systems for critical-infrastructure customers like utilities that guaranteed prioritized access.

Although the FCC has not announced any decision about the pdvWireless proposal since it was submitted more than a year ago, pdvWireless CEO and President John Pescatore expressed "frustration and disappointment with the process, as we now believe the next step at the FCC will be a notice of inquiry, or NOI." Officials for pdvWireless have hoped that the FCC would issue a rulemaking in the proceeding, which would provide the company with greater clarity as it makes business plans for the future.

"We believe the FCC will issue a notice of inquiry," Pescatore said during the conference call. "This would be an additional step in our regulatory process, but it doesn't change our objectives."

With this in mind, pdvWireless plans to provide narrowband and wideband solutions—addressing both dispatch and machine-to-machine (M2M)/Internet of Things (IoT) markets—until its broadband solution is approved, Pescatore said.

O'Brien said that that the number of incumbents that need to be rebanded at 900 MHz is much less than initially thought—60 licensees compared to the 400 potential licensees—and that pdvWireless officials are confident that all concerns about the broadband proposal expressed by 900 MHz incumbents can be resolved.

If pdvWireless can be successful in its bid for <u>FirstNet</u> and its 900 MHz broadband plans, the potential efficiencies that could be gained by deploying both networks simultaneously are significant, O'Brien said.

"I think there are terrific synergies," O'Brien said. "FirstNet, when it gets started, will have the task of building nationwide priority access for public safety of all types. If we are to be successful at what we're proposing, we have somewhat the same task. It's different spectrum—theirs is 700 MHz and ours is 900 MHz—but we have a similar objective of trying to provide virtually the same kind of services—same technology, same everything else—for critical infrastructure, which is sort of the next rung down on the priority ladder [for FirstNet].

With this in mind, pdvWireless considers the FirstNet initiative to be "very complementary" to the pdvWireless proposal to establish broadband service targeted toward critical-infrastructure customers in the 900 MHz band, O'Brien said. Participating in both deployments simultaneously would be beneficial to the company, he said.

"You spent less on capex, you spend less on opex, and the customer bases are very complementary," O'Brien said. "Each has occasion to be connected on a network with the other, and each is possibly a source of demand for excess capability, so we think they are synergistic.

"People are always using synergy as the justification for anything they want to do, but I think—in this case—it's fair."

Even if pdvWireless is not selected as the FirstNet contractor, the process associated with assembling a consortium and preparing the bid has provided the company with intangible benefits as it pursues the 900 MHz proposal, Pescatore said.

"We're thinking that our network is not that different from the type of requirements that public safety would have," Pescatore said. "Independent of that, we take a chunk of what we're doing and redeploy it in our base business, and we see a lot of synergy there, as well."

O'Brien echoed this sentiment.

"We know more about the potential of <u>LTE</u> to meet the needs of the customers we're looking at in critical infrastructure than we ever would have known, if we hadn't gone into this consortium," O'Brien said.

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